

**Alaska Department of Revenue
Permanent Fund Dividend Division**

Overview of the 2008 Dividend Calculation

To help smooth out year-to-year volatility in dividend amounts, the amount of each year's dividend is calculated using a formula that averages the Permanent Fund's realized earnings over the previous five years. Here is how it works:

1. **Add** the Fund's statutory net income* from the previous five years.

(in millions/rounded)

FY 2004	1,502
FY 2005	1,754
FY 2006	2,690
FY 2007	3,428
FY 2008	2,938
Total	\$12,312

**Statutory net income equals realized earnings
excluding income from North Slope royalty
case, State v. Amerada Hess, et al.*

2. **Multiply** by statutory 21% for an average of the five year earnings

$$\begin{array}{r} \$12,312 \\ 21\% \\ \hline \$2,585 \end{array}$$

3. **Divide** in half for the statutory percentage of earnings allocated for dividends

$$\begin{array}{r} \$2,585 \\ 2 \\ \hline \$1,293 \end{array}$$

4. **Add** FY 2009 Permanent Fund Dividend Fund beginning balance

$$\begin{array}{r} \$1,293.2 \\ 11.2 \\ \hline \$1,304.4 \end{array}$$

5. **Subtract** prior year obligations, designated state expenses and cost of operating the Permanent Fund Dividend Division

$$\begin{array}{r} \$1,304.4 \\ (38.3) \\ \hline \$1,266.1 \end{array}$$

6. **Subtract** reserves for payment of prior year dividends

$$\begin{array}{r} \$1,266.1 \\ (2.4) \\ \hline \$1,263.7 \end{array}$$

7. **Divide** by the estimated number of eligible dividend applicants

$$\$1,263,681,865 / 610,768 = \$2,069.00$$

8. **Add** the one time Alaska Resource Rebate to each dividend

$$\$2,069.00 + \$1,200.00 = \$3,269.00$$

More information is available at www.apfc.org or www.pfd.alaska.gov